

**Iowa Workforce Development
February 19, 2013**

Economic Development Appropriations Sub Committee

Workers' Compensation

Statistical Reports of the Iowa Division of Workers' Compensation Services - FY 2013 Inventory Report (Pending cases at the close of the period reported)

	Jul y	Au g	Se p	Oct	No v	De c	Jan	Fe b	Ma r	Ap r	Ma y	FY1 2	FY1 2	FY1 1
Total Cases (All Levels)	449 8	454 4	448 2	454 2	453 0	450 8	456 8						448 8	455 5

by Venue														
Telephone	0	0	0	0	0	0	0						0	0
Waterloo	338	361	336	360	360	346	338						331	363
Iowa Falls	146	154	155	149	166	166	160						153	180
Sioux City	401	403	380	388	381	385	375						397	417
Council Bluffs	167	182	184	195	197	201	196						153	171
	252	252	253	257	254	254	262						255	250
Des Moines	9	2	0	2	3	7	3						8	5
Coralville	392	388	389	394	395	381	382						389	361
Davenport	349	357	344	333	334	320	330						329	351
Ottumwa	176	177	164	151	154	162	164						178	205
Other	0	0	0	0	0	0	0						0	2

by Litigation Level														
	411	415	408	415	414	413	417						410	419
Deputy Level	3	3	3	8	2	6	3						8	6
Comm'r Level	290	292	293	284	292	285	284						282	268
District Court	114	121	114	115	118	123	136						110	109
Supreme Court	28	28	28	28	28	26	26						29	22
Multiple Levels (Balance of Cases)														

Workers' Compensation Compliance Administrators Activity Report - FY2013

Note: Inquires and Responses relate to matters involving an individual employer's compliance.
with workers' compensation statutes and regulations.

All WCCAs

	Jul	Au g	Se p	Oc t	No v	De c	Ja n	Fe b	Ma r	Ap r	Ma y	Ju n	FY1 2	FY1 1
Settlements Approved	36 2	394	371	39 6	407	356	354	0	0	0	0	0	2640	4753
Short Files	11 8	134	122	13 7	147	112	117						887	1456
Litigated Files	24 4	260	249	25 9	260	244	237						1753	3297
Phone Inquiries	50 1	548	466	55 6	475	380	432						3358	6277
Phone Responses	26 4	280	210	32 9	295	242	320						1940	3706
E-mail Responses	21 2	239	188	31 3	271	213	346						1782	3070

Workers' Compensation

Deputy Level Litigation Activity Report - FY2013

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY13	FY12	FY11
New Petitions	377	415	295	463	347	306	388	0	0	0	0	0	2591	4454	4519
Reg Proc.	318	372	236	390	300	267	345						2228	3863	3927
Alt Cares	59	43	59	73	47	39	43	0	0	0	0	0	363	591	592
AC only	36	18	29	41	15	16	23						178	304	263
In Extg Files	23	25	30	32	32	23	20						185	287	329

Dep Lvl Closings	372	375	365	388	363	312	351						2526	4543	4543
Regular Procedure	310	321	320	315	300	256	316	0	0	0	0	0	2138	3945	3953
Dismissals	69	59	72	59	37	21	74	0	0	0	0	0	391	721	771
Sett. Clsg. Lit.	206	228	209	222	228	215	193						1501	2684	2626
Decisions	35	34	39	34	35	20	49						246	540	556
Alternate Cares	62	54	45	73	63	56	35	0	0	0	0	0	388	598	590
Dismissals	50	50	40	64	51	42	32						329	491	438
Decisions	12	4	5	9	12	14	3						59	107	152

Labor Commission
Wage & Child Labor Metrics

The Wage and Child Labor Unit of the Labor Division consists of three individuals. There is an Executive Officer 1 that manages the program, an Investigator 2 and a Secretary 1 as a support staff. The unit is 100 percent state funded with an annual budget of \$325,124. The unit helps employees collect wages that were due but were not paid by an employer. Most wage claims are resolved informally, but a Labor Attorney can file a lawsuit when necessary.

Child Labor is for the protection of workers, less than 18 years of age, from dangerous work. By limiting the days and hours of work for minors the child labor law enables each child to be rested and prepared for each school day. A civil penalty may be assessed against an employer for a violation of child labor laws.

Wage Metrics			
Fiscal Year	Claims Received	Claims Closed	Wages Collected
2010	834	827	\$139,560
2011	676	739	\$116,622
2012	699	661	\$118,708
2013*	393	400	\$100,238
*7/1/2012 – 2/14/2013 Focusing efforts on educating employers and workers. Changing work responsibilities in the unit to increase efforts on collections.			

Child Labor Metrics			
Fiscal Year	Work Permits Issued	Investigations	Civil Penalties Collected
2010	3,171	80	-
2011	4,254	154	\$34,547.50
2012	4,412	100	\$98,946.25
2013*	2,324	61	\$8,617.50
*7/1/2012 – 2/14/2013 Approximately half of the work permits are issued in the last quarter of the fiscal year. Issuing of work permits has increased due to education and enforcement. Currently over two-thirds of the work permits are issued manually by schools. Investigations are initiated by the injury of a minor, a complaint or work permit.			

Labor Commission

OSHA Metrics

Iowa OSHA works with employers to improve their safety and health program and to reduce their occupational injury and illness rates. Iowa OSHA is composed of two components: 1) Enforcement and 2) Consultation and Education.

The Enforcement Bureau is composed of 28 field staff and 7 administrative support staff. They are funded under a grant with federal and state funds as listed below: 50 percent state/50 percent federal. Iowa OSHA Enforcement enforces the federal safety and health standards in the state of Iowa. Inspectors visit Iowa workplaces to identify hazards and violations of the Occupational Safety and Health Act.

Iowa OSHA Consultation and Education have experienced staff that work with employers statewide at no cost to ensure their businesses are safe and healthy. They help employers develop safety and health programs to enhance employee safety. Their services are confidential and tailored to the employer's needs. They provide assistance to employers through the Voluntary Protection Program (VPP), partnerships and alliances. VPP recognizes employers who have implemented effective safety and health management systems and maintain injury and illness rates below the national BLS average for their respective industry.

FTE's			
OSHA Admin	7	Enforcement – Safety & Health	28
Consultation & Education	15	Asbestos	2
<i>State Fiscal Year</i>			

Funding FY2013 Grant					
Enforcement – 50% State/50% Federal			Consultation – 90% Federal/10% State		
Federal	\$2,066,500	47.8%	Federal	\$753,000	81%
State	\$2,563,950	52.2%	State	\$177,102	19%
TOTAL	\$4,630,450		TOTAL	\$930,102	

OSHA Enforcement Metrics			
	Fines & Penalties to State General Fund	Number of Inspections	Iowa Injury & Illness Rate per 100 FT Workers
2009	\$2,037,997.02	1,035	5.0 (2008)
2010	\$1,298,830.54	956	4.7 (2009)
2011	\$1,761,391.88	1,033	4.5 (2010)
2012	\$2,340,601.75	1,053	4.3 (2011)
2013	\$564,066.91	552 (Year to Date)	N/A

OSHA Enforcement & Education Metrics			
	# of VPP Companies	# of Visits – Public & Private Sector	# of 10-Hour & Other Training
2009	40	403	243
2010	45	355	345
2011	48	456	386
2012	41	349	132

Iowa Workforce Development Budget Related Follow-Up

Skilled Iowa

The marketing efforts for the Skilled Iowa Initiative are 100 percent paid for with private funds. To date, Iowa Workforce Development has raised approximately \$350,000 in private funding to promote the program. The funds are deposited into the department's foundation and only used for the purpose of Skilled Iowa marketing.

Federal Funding Differences in Previous Documents

At the last meeting, IWD provided two handouts. The PowerPoint slide was based on the state fiscal year and included any carryover funds available. The multiple colored program document is based on the federal fiscal year and includes only the funds appropriated for the specific year.

Federal Funding and Sequestration

The previous budget numbers presented did not take into account the potential impact of sequestration. If sequestration happens on March 1st, the impact will be immediate. The impact will occur during both state fiscal years 2013 and 2014 as the federal fiscal year 2014 overlaps both.

	Sequestration Impact		
	SFY2013	SFY2014	TOTAL
Wagner Peyser*	\$0	\$217,336	\$217,336
Unemployment	\$1,238,898	\$929,174	\$2,168,072
REA	\$58,433	\$43,825	\$102,258
Veterans	\$75,500	\$56,625	\$132,125
Governor's 10%	\$32,198	\$24,149	\$56,347
Alien Labor	\$4,050	\$3,038	\$7,088
WOTC	\$11,696	\$8,772	\$20,468
Workforce Investment Act	\$399,704	\$701,465	\$1,101,169
Labor Commission, OSHA/BLS	\$147,895	\$110,921	\$258,816
Labor Market, BLS Programs	\$106,875	\$80,156	\$187,031
TOTAL	\$2,075,249	\$2,175,461	\$4,250,710

* Wagner Peyser is forward funded. No impact until 7-1-13

Workforce Services Field Staffing

IWD has recently completed a settlement with AFSCME Council 61 that resulted in the **creation and addition** of 48 positions in both the field offices and the Unemployment Insurance Service Center. These positions are all in PROMISE JOBS, Labor Exchange or Unemployment Insurance programs. 34 positions were added in the workforce field offices.

As vacancies have occurred in management positions, IWD has used the opportunity to redistribute priorities and workflows to eliminate seven management positions. The positions were previously located in Mason City, Ft. Dodge, Davenport, Iowa City, Des Moines and two in the administration office.

IWD currently has 2.5 funded vacancies for the field. The positions include a half time DVOP in Marshalltown funded with federal veteran funds; a full-time workforce advisor in Waterloo funded with federal Re-Employment Eligibility Assessment (REA) funds; and a full-time workforce advisor in Carroll funded with federal Wagner Peyser funds.

Special Contingency Fund (Penalty & Interest)

1. All federal funds are tracked by the federal government, using a Catalog of Federal Domestic Assistance (CFDA) number. Some of those CFDA programs require the state to ensure that only minimal federal cash balances are maintained in the state treasury. This is part of the Federal Cash Management Act (CMA). CFDA number 17.225, Unemployment Administration, is one of those programs tracked by the federal government to ensure that federal dollars are not drawn and setting in the account as unexpended cash. ANY federal cash held in excess of zero, requires the state to pay interest back to the federal government. In order to avoid paying interest, IWD has placed \$350,000 of Penalty and Interest funds into this account for cash flow. The daily cash balance is kept under the \$350,000, so that there is no appearance of IWD holding any federal Unemployment cash in the account each day. The only cash in the account is what is remaining each day of the P&I loaned dollars.
2. IWD estimates the federal cash needs from all other non-CMA programs daily. These are all estimates of what might be paid each night and how those costs will be spread among the various programs. In order to make sure sufficient cash is available in every account so no bills are held due to insufficient funds, IWD has set up temporary loans in various accounts from P&I money. As of this date, these temporary loans of P&I dollars total \$550,000.
3. Continuing Resolutions from Congress can result in temporary instances of insufficient dollars awarded to keep pace with expenditure rates in a program. The federal government will award a portion of a grants funding, to keep that program going. However, more times than not, the funding portion are not sufficient to maintain full operations. P&I funds have been used to keep those programs operational, until the federal government awards the full grant amount. A reserve of \$1 million in P&I is maintained in order to cover such instances. The \$1 million total is based on historical information regarding the maximum amount IWD has had in outstanding loans while under a federal Continuing Resolution.
4. The state accounting system requires that cost pools running through the I3 Cost Allocation Module, have sufficient nightly cash flow for the payment and redistribution of costs. During each nightly cycle, an expense may be paid out of one cash account and then transferred that same night to another cash account. Although that first payout of an expense may not be where that cost finally shows up on the books after nightly processing, the cash must still be in the first account that was hit with that transaction. To keep these transactions from bouncing with insufficient funds, IWD utilizes \$850,000 of P&I to handle the nightly processing of "in and out" transactions that occur.
5. IWD has made emergency loans to Enterprise accounts, such as the Elevator Inspection program, when delays were found with the receipt of payments by entities that had inspections occur. The Enterprise account is intended as its own self sufficient cash account. When it temporarily runs short of cash, loans from P&I are made to this account. Currently P&I has loaned the Elevator fund \$100,000.
6. IWD receives grant awards from the federal government, where expenses have to be incurred and paid by IWD, before the federal government will reimburse the agency for those costs. Therefore, IWD must find alternative cash flow to pay the expenses and await reimbursement. The only source of funds that can be loaned for this purpose is P&I funding. By federal regulation, you cannot borrow money from any other federal program to cover the costs of another federal program. Once IWD has completed the required federal reports for these reimbursement programs, the money is released for draw down and IWD is able to pay back the borrowed P&I money. An example is the Reemployment

Services/Reemployment and Eligibility Assessment (RES/REA) program for Emergency Unemployment Benefit recipients. This is a \$830,000 program and currently, IWD has paid out \$382,000 in expenses that have not been reimbursed yet, by the federal government. Therefore, P&I funds have loaned this project, that amount.....so far....awaiting federal government approval to draw down additional money.

7. P&I funds must be kept in reserve, in the event that federal funding for various programs are cut and done so either too late in the fiscal year or so deeply that IWD cannot react quick enough to perform the appropriate downsizing of operations. Cutbacks in state operations can take months, given layoff and bumping procedures that are required. This could be the case in SFY 2013 and 2014 as we are now 4 ½ months into the federal fiscal year and still do not know the final funding levels for the federal year that began back on October 1, 2012. A cutback in funding, retroactive to October 1, 2012, will cause IWD to take immediate action to compensate for the late notice of funding decreases.

Iowa Workforce Development – Status of 2014 P&I Funds (Based on new IT Chargeback Allocation Plan)

BEGINNING BALANCE, 7-1-13	\$6,224,050
ESTIMATED REVENUE COLLECTED IN 2014	<u>\$1,696,947</u>
BALANCE	\$7,920,997
OBLIGATIONS:	
CASH FLOW, I3 TRANSACTIONS	(\$750,000)
CONTINUOUS LOANS	(\$685,000)
TEMPORARY LOANS	(\$305,000)
APPROPRIATED, 2013	(\$866,971)
APPROPRIATED, 2014	(\$1,627,084)
UI COLLECTION OF P AND I	(\$54,481)
WF DIVISION, ADMIN EXPENSES	(\$87,280)
LMI DIVISON	(\$165,000)
INTEGRATION	(\$200,000)
INFRASTRUCTURE, PREMISES REPAIRS	(\$250,000)
COMMUNICATIONS	(\$50,000)
IT CHARGEBACK	(\$22,863)
BUILDING MAINTANANCE	<u>(\$50,000)</u>
	\$2,807,318
UNOBLIGATED FROM SFY2014	\$2,807,318
ADD BACK CASH FLOW	\$750,000
ADD BACK PERMANENT LOANS	\$685,000
ADD BACK TEMPORARY LOANS	<u>\$305,000</u>
ADJUSTED CARRYFORWARD TO 2015	\$4,547,318
ESTIMATED REVENUE IN 2015	<u>\$1,696,947</u>
BALANCE	\$6,244,265
NET DECREASE FROM 2014 TO 2015	(\$1,676,732)

General Program and Policy Follow-Up

Virtual Access Login

IWD is required to roll out a unique login process on the Virtual Access Technology by June 30, 2013. IWD vigorously tests any and all changes to our technology systems for the benefit of customer service. IWD programmers test any and all changes in a test environment prior to rolling the process out to business users for testing. After both groups have approved the changes, the application is rolled out into production. The process can be a lengthy dependent on the complexity of the changes and the inclusion of the new state standards in the process.

In rolling out any new web based technology affecting the Virtual Access Technology, IWD implements the following procedure:

1. Materials related to suggested changes are due to the administrator.
2. Appropriate service requests are submitted to IT.
3. IT works with the business unit to develop the appropriate time frame for the changes.
4. Appropriate IT staff develop the revisions and place the changes in the test environment.
5. Business unit owners test the new application and verify all requirements are met.
6. Changes are launched into production.
- **Materials Due**—the date requests for changes to the Virtual Desktop are due to me.
 - Suggestions for changes and additions to the VAP are reviewed.
 - After the due date new suggestions are added to the next Materials Due entry.
- **Service Request Due**—the date the service request is to be submitted into the JIRA system.
 - A document called xx-xx-xx Release Changes Doc is created where potential changes are documented screen shots.
 - Document is added to SharePoint and used as the base for creating the JIRA ticket.
- **Development**—a time frame for the development of the requested changes by IT.
 - The ticket is assigned by IT Management to the appropriate staff
 - Development commences.
 - Changes are moved to the test server.
- **Acceptance Testing**—testing period to ensure the requested changes are implemented and that all links in the VAP desktop are working.
 - Verification that all requested changes have been made.
- **Generation of Desktops, Launch of Changes**—the date the changes are launched.
 - IT releases the desktop to production.

Integration

Thirteen of the 15 IWD one-stop centers are currently following the integrated customer service model. Centers integrated in 2012 include: Carroll, Ottumwa and Spencer. Although we have until 2014 to complete this process, the two remaining centers – Davenport and Marshalltown – will be integrated by June 30, 2013.

Workforce Investment Act

Currently, Iowa is under Common Measures. This was approved in the Five Year State Plan submitted last year to DOL. These are the measures that are used as performance metrics for WIA.

Adult Measures:

- Entered Employment – number of adults who are employed in the first quarter after the exit quarter
- Employment Retention – number of adults who are employed in both the second and third quarters after the exit quarter
- Average Earnings – Total earnings in the second plus the total earnings in the third quarter after the exit quarter
- All three measures track the number of adults that exit the program each quarter

Youth Measures:

- Placement in Employment or Education – number of youth who are in employment (including military) or enrolled in post-secondary education or training in the first quarter after the exit quarter
- Attainment of a Degree or Certificate – number of youth who attain a diploma, GED or certificate by the end of the third quarter after the exit quarter
- Literacy and Numeracy Gains – number of youth who increase one or more educational functioning levels
- Number of youth participants who have completed a year in the WIA program plus the number of youth participants who exit before completing a year in the program

The most recent performance reports are in a separate handout. Of note, Workforce Investment Act (WIA) programs are "forward-funded," meaning that their spending and performance goals are tracked on a cycle that lags the Federal Fiscal Year (FY) by nine months. This period is referred to as a Program Year (PY). We are currently in FY13 (fiscal year 2013), but PY12 for WIA reporting purposes (program year 2012). PY12 goals will appear in a FY13 report.

The roles and responsibility of the RWIB are clearly defined in the federal Workforce Investment Act and include:

- Selecting service providers for WIA adult and dislocated worker intensive services, and youth programs.
- Establishing policy for the region's Workforce Development Center system.
- Developing a budget to carry out the duties of the local board, subject to the approval of the CEO board.
- Coordinating WIA youth, adult, and dislocated worker employment and training activities with economic development strategies, and developing other employer linkages with these activities.
- Promoting the participation of private sector employers in the workforce development system, and ensuring the availability of services to assist such employers in meeting workforce development needs.
- Certifying eligible training providers.
- Determining the use of the Strategic Workforce Development Fund including:
 - Operation and funding of a summer program and/or in-school youth program;
 - Use of the discretionary funds; and
 - Selection of service providers.
- Selecting the Welfare to Work Service Provider.

- Submitting an Annual Report to the State Workforce Development Board.
- Establishing cooperative relationships with other local boards.
- Directing the activities of the Youth Advisory Council.

In partnership with the CEO board, the RWIB is responsible for:

- Negotiating and reaching agreement with IWD on local performance standards.
- Appointing a Youth Advisory Council.
- Determining the role of the Coordinating Service Provider.
- Designating and certifying the Coordinating Service Provider.
- Developing a Chief Elected Official – Regional Workforce Investment Board Agreement, outlining how the two boards will cooperate and collaborate in establishing and overseeing the region's Workforce Development Center system.
- Developing and entering into a Memorandum of Understanding with the Workforce Development Center System Partners.
- Conducting oversight of the local WIA adult, dislocated worker services, and youth programs and the Workforce Development Center system; evaluating service delivery to determine if local needs and priorities are being met;
- determining whether regional needs have changed and if so, whether a plan modification is necessary;
- ensuring quality improvement is on-going, and
- ensuring that performance standards are met.
- Developing and submitting the Regional Workforce Development Customer Service Plan based on the Regional Assessment and Analysis.

The information above is taken directly from Iowa's WIA Handbook. The local RWIBs play a crucial role in deciding and determining training services in Iowa, from selecting the Coordinating Service Provider, to approving training providers and training plans. They are to be a cross-section of the region's leadership resources, including business, labor, political parties, economic development, education, county and local elected officials and community service providers. As such, they are the frontline resources for determining high-growth and high-demand industries and employment opportunities and supplying these industries via customer training in their region.

Over the last six months, the department has completed the RWIB certification process for all 15 boards that is required every two year.

PROMISE JOBS Program

When the PJ program initiated in the late 80's, the only performance measures in the program were those described by the federal government. The only federally required performance measure, then and now, is the Work Participation Rate.

The Department of Human Services has contracted with IWD to administer the PROMISE JOBS program according to Federal and State laws, rules and Agency employee manuals. The current two-year contract with DHS, as well as IWD's subcontracts, including the following measures/requirements developed in response to the PROMISE JOBS data efficiency study completed by IWD.

A copy of the statewide analysis is included as a separate handout.

1. Targets for percentage of mandatory participants who meet Work Participation Rate requirements:

a. The percentage of mandatory work families who meet or exceed the minimum hours of participation in countable work activities, as required by federal regulations at 45 CFR 261.31, will meet or exceed 42% or the FFY 10 adjusted All Family rate, whichever is greater.

b. The percentage of mandatory 2-Parent families who meet or exceed the minimum hours of participation in countable work activities, as required by federal regulations at 45 CFR 261.32, will meet or exceed the All Family rate as determined above.

2. Work Participation Rate. Targets for percentage of mandatory participants who meet Work Participation Rate requirements:

c. The percentage of mandatory work families, who meet or exceed the minimum hours of participation in countable work activities, will meet or exceed 42%.

d. The percentage of mandatory 2-Parent families, who meet or exceed the minimum hours of participation in countable work activities, will meet or exceed the All Family rate as determined above.

3. Employment Activities. Targets for percentage of participants will be compiled of those who obtain/retain employment while participating in the PROMISE JOBS program.

a. The percentage of participants who are engaged in an Employment component will meet or exceed 25% of the region's average quarterly case load.

b. Definitions:

- Average quarterly caseload count: determined by IWD Quality Assurance (QA), data will be compiled from IWorks the last business day of each month for each region then averaged over the three month reporting period.
- Engaged in Employment component: individual cases that have an actual start date for an Employment activity in IWorks.
- Employment engagement activities include individual cases coded in IWorks as: Subsidized Employment-Private, Subsidized Employment-Public, and Unsubsidized Employment. Individual cases coded in IWorks as Self-Employment will not be included in the target percentage.

4. Training/Education activities: Targets for percentage of participants will be compiled of those who are enrolled in a program of study or area of certification while participating in the PROMISE JOBS program.

a. The percentage of participants who are enrolled in a training certification, or working toward a diploma or degree in a program of study will meet or exceed 10% of the region's average quarterly case load.

b. Definitions:

- Average quarterly caseload count: determined by IWD Quality Assurance (QA), data will be compiled from IWorks the last business day of each month for each region then averaged over the three month reporting period.
- Enrolled in a certification, diploma, or degree: individual cases that have an actual start date for an Education/Training activity in IWorks.
- Education/Training activities include individual cases coded in IWorks as: HS/GED (regardless of age of participant), Non-approvable training, PE/PV, Short-Term training (30-52 weeks), National Career Readiness Certification (NCRC), and Training less than 30 weeks.

5. Case management. Each territory will need to provide case management services to attempt to engage assigned program participants in work ready activities while participating in the PROMISE JOBS program.

- a. The percentage of individual participants receiving active case management services will meet or exceed 95% of the region's average quarterly case load.
- b. Definitions:
 - Lapse in Case Management services is defined as: no acceptable contact with enrolled participant in 60 or more days.
 - Acceptable contact may include: phone conversations, contact by postal mail or email, in-person contact, or participant providing required weekly/monthly program documentation.
 - Excluded component activities for Lapse in Case Management include: cases where the participant is coded: FMLA (12 weeks), participants in an Employment component (hours/wages projected for six months), and cases that are in a sanction/appeal status. In order for an individual case to be removed from the Lapse in Case Management category, activity shall be documented in IWorks clearly stating involvement in an excluded component activity.

Additionally, in accordance with the DHS PROMISE JOBS contract, we have reduced the number of managers assigned to that program by 50%. Each manager now oversees a territory that includes multiple regions.

Following the efficiency analysis, the DHS master contract went through a number of changes besides the introduction of additional metrics. Those additional changes include:

Department of Human Services (Agency) & Iowa Workforce Development (Contractor)

- Applicants & participants will have choice of which regional/local office where they will receive services.
- Require integrated job seeking skills workshops
- Require staff confidentiality training.
- Standardized base plan & application for Family Self Sufficiency Grants (FSSG).
- FSSG expenditures will be monitored quarterly by PJ Quality Assurance.
- Conflict of interest procedures defined, not allowing interaction when PJ participant is a family member of a PJ worker. Supervisors to assign cases to different workers, or assume responsibility themselves.
- Veterans given priority of service for openings in trainings and workshops.
- Compliance with mandated co-enrollment policies.
- Financial – all PJ allocations based on formula of 50% caseload and 50% previous year's share. Regions still required to share equally. IWD has right as contractor to fully fund its operation with approval from DHS, with balance of funds distributed to subcontractors based on formula allocation.
- Financial – FSSG allocation will be based on formula allocation, not just caseload as in the past. Formula will be 50% caseload, 50% previous year's share.
- Financial – FSSG Admin will be allowed. Funds limited to \$80,000 statewide.
- Financial – Admin limited to 5%. This allocation will be shared by no more than two non-designated supervisors per region.
- Financial – Subcontractor employee compensation shall not exceed compensation paid to state employees. This section (3.6.5) revokes the 110% limitation previously allowed subcontractors.

- Financial – PROMISE JOBS staff expected to be housed in an integrated one-stop.
- Participation – Contractor & Subcontractor required to track employment & training outcomes, wages, cost pers, graduation/credential rates, appeals, LBPs.
- Management – Designated PJ supervisor can cover two or more regions.
- Quality Assurance reports defined/listed.
- Uniform time reporting defined.
- Performance measures updated (Section 4) – benchmarks set at all family 37%, two-parent families 31%. Coded hours of participation and average IWorks accuracy for Federal reporting defined.
- Agency to provide updated PJ Provider Manual. First chapter due July 1, 2012; final chapter due June 1, 2013.

Significant changes in the Agreements between IWD and the Subcontractors:

- Subcontractors expected to follow state holiday schedule. State staff will not be expected to carry workload during semester breaks.
- Subcontractor agreements will be terminated upon proof that misleading or patently false information has been provided to IWD by the Subcontractor. Example: Changing job titles to be in compliance with salary caps.
- Criminal background checks will be required on all new subcontractor employees and Work Experience participants.
- Subcontractor staff must sign off on IWD policies related to confidentiality, drug/alcohol use, email/internet use.
- If subcontractor staff not fully funded by PROMISE JOBS, then they will be required to work in and provide services in the program that is making up the balance of their salary.
- Language on consequences for failure to comply with regional and subcontractor agreements.
- Subcontractor staffing plans will be subject to random audit throughout the fiscal year.
- Subcontractor funds will be allocated on an incentive basis. 80% of the regional subcontractor share will be allocated at the beginning of the fiscal year, with the additional 20% to be awarded for programmatic compliance.

Unemployment Insurance Program

Misclassification Metrics

	Cases	number of employees	Total Tax	Interest / Penalty
July 2009 through Dec 2011	307	3522	\$2,795,693	\$980,456
Jan 2012 through Dec 2012	74	1533	\$790,089	\$242,761
Total	381	5055	\$3,585,782	\$1,223,217

Unemployment Claim Adjudication Process

Unemployment Claims can potentially go through a five step adjudication processes depending on the number and types of appeals filed by either party.

The first step in the adjudication process is the fact finding interview; an informal telephone interview normally conducted with the employer and claimant simultaneously. These are scheduled interviews and both parties are provided 7 to 10 days notice. The parties are allowed to submit supporting documentation ahead of time and during the interview. Statements are taken from both parties during the interview and the salient details are typed onto the fact finding forms and read back to both parties. The fact finding interview is not recorded by IWD however either party has the right to make their own recording at their expense. The interview typically lasts 15 to 30 minutes depending on the complexity. If one party is not available for the interview, staff will attempt to call again before the interview concludes. If rebuttal is still needed, or an adverse decision will be issued to the party that did not participate, a letter is sent allowing that party four days to call the interviewer and provide a statement. A decision is sent to both parties that captures the primary reason for the separation. The documents used to issue the initial determination are scanned and stored. Both parties have 10 days from the date of the decision to file a written appeal to an administrative law judge. He said/she said disputes are typically resolved through additional questioning. Hearsay evidence is admissible, however not as strong as statements that can be corroborated.

The second level of UI claims adjudication is the appeal hearing. These are conducted by IWD Administrative Law Judges (ALJ), normally over the telephone. Parties may request an in-person hearing. All hearings are recorded and this is the final level for presenting evidence. All parties are sworn in by the ALJ at the beginning of the hearing and the hearing follows a formal process of opening statements, presentation of evidence and witnesses, cross examination, and closing statements. The decision of the ALJ goes to both parties and their legal counsel (if applicable) and includes a summary of the facts presented during the hearing, applicable case law, and the final determination. As the decision of the ALJ is a matter of public record, the decisions are posted on the IWD website at <http://www.iowaworkforce.org/ui/appeals/index.html>

The third step allows either party who is dissatisfied with the appeal hearing decision to file another appeal to the Employment Appeals Board at the Department of Inspection and Appeals. The Employment Appeals Board can affirm the original appeals decision, reverse the decision or remand it for additional consideration at IWD.

The fourth and fifth level of appeals are rare and take place at the District Court and ultimately the Iowa Supreme Court.

Unemployment Insurance Performance Metrics

The federal government requires a number of performance measures for the program. Performance metrics for fact-finding and timely payment of benefits include:

- The federal measure for timeliness for adjudicated claims is that IWD issues a decision and unlock/lock the claim at least 80 percent of the time within 21 days. For the rolling four quarters ending December 2012, IWD's performance measure is at 83.3 percent.
- Data for timeliness of first payments includes only new claims that were determined eligible for benefits and paid within 14 days of the end of the first compensable week. The federal measure is 87 percent, however this measure is very cyclical as claims filed around planned shut downs are frequently released immediately due to employer request.

	FF Scheduled	Timely Decision
Apr-12	6621	56.3%
May-12	5742	95.7%
Jun-12	4607	95.0%
Jul-12	4169	90.6%
Aug-12	5152	91.8%
Sep-12	4490	91.9%
Oct-12	4425	96.7%
Nov-12	4642	70.7%
Dec-12	4565	73.6%

	Timely Payments	% Timely
Apr-12	5931	66.9%
May-12	6337	79.7%
Jun-12	5784	81.2%
Jul-12	6744	81.1%
Aug-12	5908	75.1%
Sep-12	4439	79.3%
Oct-12	6109	84.8%
Nov-12	7001	84.2%
Dec-12	11588	85.9%

When the department does not meet any of the defined performance goals, a corrective action report is filed with the Department of Labor.

Unemployment Insurance Claims Data

All Unemployment Insurance claims are entered either electronically or manually by staff. Below is a breakdown by year of the total claims filed and how they were entered.

Year	Total Claims Filed	% Electronically	% Manually
2010	355,379	49.5%	50.5%
2011	281,154	65.3%	34.7%
2012	192,156	76.5%	23.5%
January 2013	26,756	87.0%	13.0%

Call backlog

As of Monday, February 18, 2013, there are "0" claimants waiting for a call back. The messages have been cleared and returned on a daily basis for nearly two weeks. A chart demonstrating the call volume is on a separate handout.

Claims issues are being resolved immediately for those with general questions and claims needing assistance. There are still questions on fact finding times as this is the heavier time of the year. Fact findings are typically being scheduled one week out longer than usual however this is expected to be resolved by mid-March.

Skilled Iowa Initiative

As previously stated, the marketing and advertising campaign is 100 percent supported by private, non-government funds. The initiative has a goal to raise \$500,000 to cover a two-year marketing program.

The overall goal of the current marketing campaign, as developed in conjunction with business, is an awareness campaign for the program. Additionally, anyone who types "skilled Iowa" in a search engine, web browser, on Facebook or on Twitter is driven to the skillediowa.org web site.

To become a business member of the Skilled Iowa Initiative, a business must give preference to the NCRC certification, however participating in the internship component is not a requirement.

While the initiative was launched in June, IWD spent the next three months in consultation with DOL to ensure all components of the internship program were in compliance with the Fair Labor Standards Act for unpaid internships. IWD participated in numerous meetings and exchange of information the DOL's enforcement division to ensure the program would be in compliance with all employment laws. Through the process the department developed regulations to guarantee the internship included industry-based, portable training which added to the skill set of participating interns. IWD employs a rigorous internship program approval and monitoring process to ensure candidates are receiving the appropriate training.

While employers have the opportunity to offer full-time employment to participants in the program, a guaranteed job offer is not part of the program nor can it be under the Fair Labor Standards Act. However, unemployed participants still receiving benefits are placed in department approved training status in order to keep receiving their benefits while participating in the program.

IWD's first employer hosting an internship did offer the individual a full-time position before the conclusion of the program, however this was not a requirement. Currently two other companies have active internships onsite, one in Council Bluffs and one in Sioux City. Additionally, the department is currently reviewing the training plan development for several other employers which cover multiple industries including healthcare, retail, building trades, finance and manufacturing.